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The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe



VOLUME III, NUMBER 11

WASHINGTON, D. C.

NOVEMBER 15, 1933

Prohibition Repeal Revives Old Issue

History of Dry Experiment Indicates Need for Careful Study to Promote Temperance

STATES DESIGN CONTROL PLANS

Rockefeller Commission Makes Recommendations After Detailed Analysis

On November 7 the last of the required thirty-six states ratified by popular vote the repeal of the eighteenth amendment to the Constitution. In order to repeal this, the prohibition amendment, it was necessary to adopt a new one and to secure approval by the methods outlined under the law. The first step in this process was taken on February 20, when more than the necessary two-thirds of both houses of Congress voted in favor of the new amendment. Then it was referred to the states for ratification. The popular voting in each state elected delegates to a state convention, which met for the one purpose of voting on repeal. Within the next thirty days, the last state convention will have acted, and repeal will become an accomplished fact. National prohibition will be at an end.

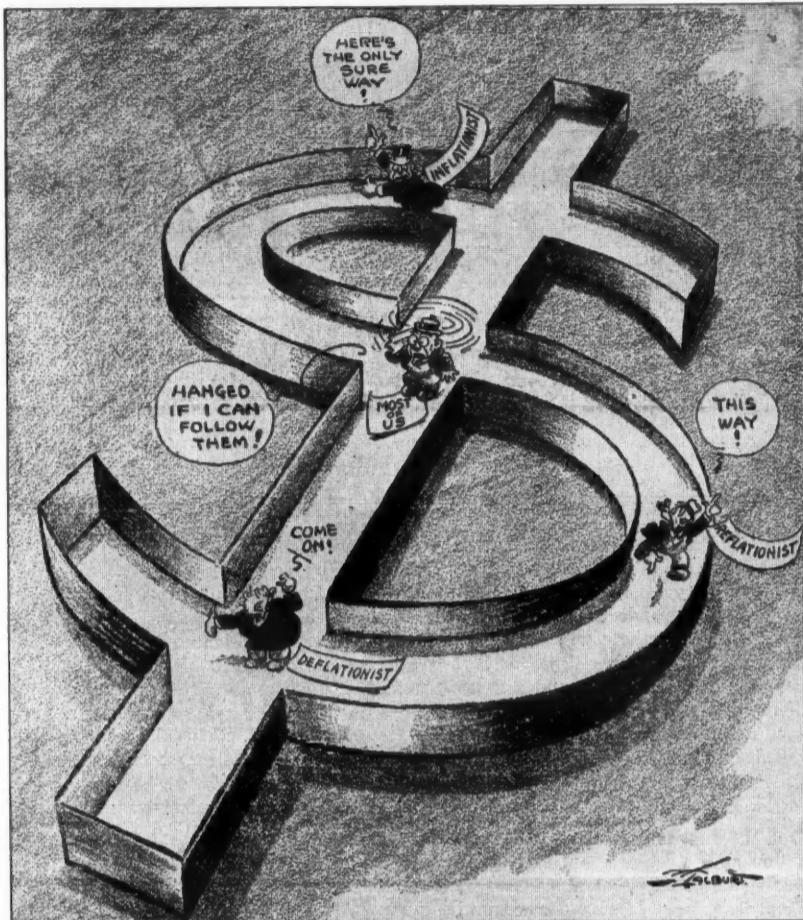
The Problem Remains

This does not mean, however, that the liquor problem will be ended. Control of the sale and use of intoxicating drinks has presented numerous difficulties throughout the history of our country. There has never been a satisfactory solution, because our people cannot agree on it. Some do not want any restriction on the sale and use of liquor. Others see dangers and evils arising from its use. They point to our disagreeable experiences in the past, and maintain that some control of liquor sales is necessary to prevent the disorder, confusion, and danger to life and health which may be caused by excessive use of intoxicants. And among them there are many shades of opinion about how we may best establish control.

National prohibition, which forbade the manufacture and sale of intoxicating beverages anywhere in the United States, except on the order of a physician, was described as "a noble experiment." It was achieved only after a century of effort by the "drys." Over this long period in our history the people who were interested in controlling the liquor traffic carried on their work through temperance societies. Their original purpose was to urge individuals to practice temperance or total abstinence. The first of these groups, the American Temperance Society, was formed in 1826. Others sprang up between 1830 and 1850. They have continued, with numerous additions, to the present time. In recent years the most active were the Women's Christian Temperance Union and the Anti-Saloon League.

At first these societies were not interested in acting through the law. They depended upon individual persuasion. Soon, however, they began to promote temperance and prohibition measures in the states. They managed to secure outright prohibition in several states. In others two forms of control became popular. These methods were known as local option and

(Concluded on page 7, column 1)



THE MYSTIC MAZE
—Talbert in Washington News

The Wisdom of Experimentation

Now and then one hears an expression of alarm because the Roosevelt administration is experimenting in the formulation of its policies. The president and his advisers admit this. When the tremendously important agricultural act was passed, it was called an experiment. The president did not know how it would work. Neither did any one else. The sponsors of the act hoped it would succeed, but they could not be certain. This leads to the question as to the wisdom of experimentation in a time like this. Would it not be better to wait until we have remedies that will certainly succeed? The answer is twofold. In the first place, we cannot be sure of what will happen if we wait. What would have happened if an agricultural act had not been passed? The Midwest is now in turmoil and there is violence in spots because more has not been done. One would be rash indeed if he should undertake to say exactly what the effects of waiting would have been. The second part of the answer is that we never find remedies of which we can be certain. Political leaders often say they know what the results of their policies will be. Usually they give the impression of certainty. But they never know. The statesmen who led the nations of the world into the war surely did not foresee all the consequences. Neither did the post-war statesmen foresee the consequences of the action they took about debts and reparations and tariff walls. And during the depression we have seen statesmen in all countries announcing policies with confidence and later we have seen the confidence give way to confusion. Progress will be made more rapidly in the political world when we learn to accept social experimentation as we accept experimentation in the physical sciences. When the chemist wants to know what the effect will be if elements are mixed in a certain way, he tries it out. The social scientist, the political scientist, must do the same thing. And he will succeed far better if he does his experimenting in an open clear-eyed manner. Of course, the people will have to be careful whom they select to do their experimenting. They must take precautions to have as few failures as possible. The wisest leaders who are available should be selected. And the best assurance we can have that our leaders will be wise is to be found in the broadest and most comprehensive civic training which can be obtained. But, however wisely our leaders may be chosen, we must recognize the fact that they are not supermen. They cannot perform miracles. They cannot accurately predict what all the effects of their acts will be. The economic and social forces which operate in the world are too complex for that. We should be on guard against the leader who proclaims his policies with the confidence and finality of a Moses thundering from Sinai. Statesmen must feel their way tentatively and yet boldly if they are to conduct us safely on this dangerous and doubtful journey toward the gates of the Promised Land.

U.S.S.R. Has Passed Sixteen Year Mark

Nation Has Undergone Vast Changes Since Communists Seized Power in 1917

PROGRESS MADE UNDER PLAN

But Important Problems Must Be Solved Before Arrival of Communism

This month, as Maxim Litvinoff comes to America to negotiate for recognition, Soviet Russia celebrates its sixteenth anniversary. It was on November 7, 1917, that a group of communists under the leadership of Nikolai Lenin seized control of the government which the czar had been forced to abandon a few months earlier. The Bolsheviks, as the communists were also known, startled the world by announcing that they were going to create a new kind of society. It was not to be a society in which each person would be allowed to accumulate as much money and property as he could. On the contrary, there were to be no wealthy people at all. Everything in the country, its natural resources, its factories and farms and stores and warehouses, were to be owned in common by the working people. The country was to be operated for their sake and they were to share alike in its benefits. The communists further declared that they would bring on a world revolution, and called upon the working classes of all nations to overthrow their governments and cast their lots with Moscow.

After Sixteen Years

That was sixteen years ago. Where does Soviet Russia stand today? To what extent has that country's far-reaching experiment succeeded and to what extent has it failed? Does it appear that communism offers a practical form of government or is it a visionary and unworkable scheme? This latter question cannot yet be answered. The Soviets are still too far from their goal for us to judge as to its practicability. We can, however, inquire into the progress which has been made to date.

First, let us get a picture of Russia before the war, as it is important to bear in mind the material with which the communists have had to work. Stretching from middle Europe to the Pacific Ocean, Russia was, and is, the world's largest single political division. It is a country of widely variegated climate, most of which, however, is situated in a zone too cold for average comfort and normal agricultural production.

In pre-war Russia there were about 140,000,000 people. Four-fifths of them were impoverished, ignorant and superstitious peasants. Seventy per cent of all Russians were completely illiterate. The peasants eked out a scant existence on small strips of land, were weighted down by taxes, and were frequently oppressed by landlords. There was often hunger for bread.

It was upon this backward country that the zealous followers of Lenin determined to impose their radical system. The difficulties were apparent, but the leaders were joyfully confident of success. They firmly believed that it would not be long before Russia and the rest of the world would be

operating according to communist doctrines. As the first step toward this cherished end they set out with enthusiasm and vigor to destroy every distinguishing mark of the old Russia preparatory to the building of the new. The nobility, which for centuries had ruled the country, was exiled or executed—liquidated, was the term used. A campaign to wipe out religion was begun. Banks, factories, railroads and stores were closed in the general state of wild confusion. Chaos ensued and then famine. And to make matters more difficult the allied and associated powers joined in a military expedition to smash the revolutionary régime under Lenin. Those were dark days for the communists, days which seemed destined to bring the Bolshevik venture to an abrupt end.

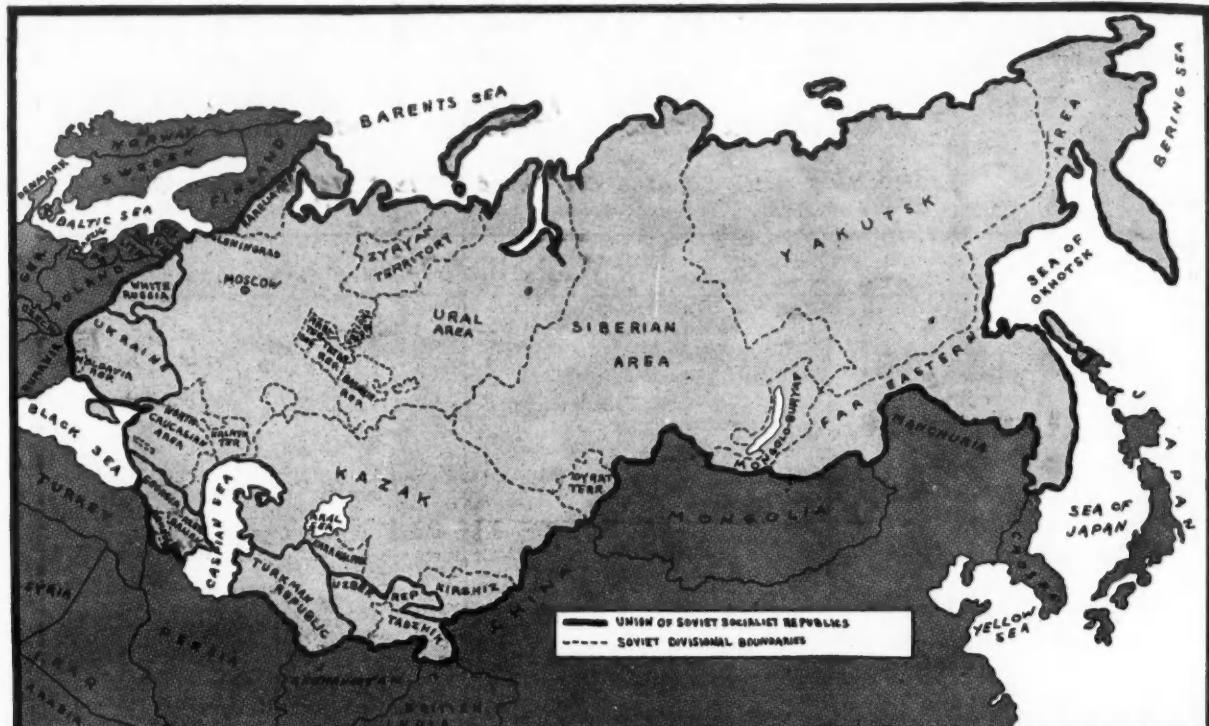
But the communists, by their dogged determination, managed to struggle through this period. The country as a whole, which was opposed to the new doctrines of Lenin, joined forces with him in repelling the foreign invaders. Aside from this there was no effective force to contest for power when the communists were at their weakest. The Bolsheviks continued to suppress opposition with bitterness and brutality. The activities of the Cheka, the Soviet secret police, during those early years, have received too much publicity to require restatement here.

New Economic Policy

Conditions went from bad to worse until 1921. The communist leaders then came to a realization that different tactics would be necessary if they were to remain in control indefinitely. They saw that they could not impose a new political social and economic system upon a disrupted and starving nation. It would be necessary first to recover from the devastating effects of war and revolution. They determined, therefore, to compromise and to make use of some of the devices of capitalism until communism could be substituted in its place. This was the beginning of the famous New Economic Policy, known generally as NEP. Banks were reopened, the wheels of industry were set going and people were allowed to accumulate profits in their businesses. Elsewhere, this retreat was hailed as the downfall of the communist idea. Many thought that Russia had returned for good to the system of private enterprise and private profit.

The Soviets, however, never lost sight of their ultimate aim. Lenin died in 1924 and leadership passed to Stalin, but the goal remained the same. As soon as the country began to be restored to something like normal conditions, Stalin took the first important step toward the organization of a new society. In October, 1928, he inaugurated the first Five Year Plan.

The purpose of this plan was to modernize Russia—to build great factories and power plants and railroads and apartment houses. The communists knew that Russia's industrial power would have to be



Prepared for THE AMERICAN OBSERVER

THE UNION OF SOVIET SOCIALIST REPUBLICS

built up. They themselves would have to be able to produce all the goods needed by the people. They wanted to make Russia economically independent in order that they might organize the country and bring it under complete control. Thus, the Five Year Plan became a symbol and a motto to all communists. They set schedules of production for every branch of industry and worked desperately to achieve their goals.

A second feature of the plan, in the long run the most important, was the modernization and socialization of agriculture. As has been stated, most Russians were poor and ignorant peasants. The communists realized that they must convert the peasantry to the new ideals. They could not continue indefinitely without the support of an overwhelming majority of the people. Communism requires universal coöperation on the part of the people. The problem of educating the backward and unwilling peasant, therefore, had to be undertaken. In order to effect this, modern machinery was introduced to replace the primitive hand instruments which had been used for centuries. In addition, the collective farm was established. On these farms the peasants were required to pool their land and equipment. They were to plant, cultivate and harvest the crops jointly and divide the proceeds after turning a certain portion of them over to the government.

Thus, the fundamental purpose of the

Five Year Plan was to strengthen Russia economically and to prepare her for the gradual introduction of complete communism. It should be explained, in passing, that the Five Year Plan was not a definite, rigid set of schedules which had to be attained. It was more a variable blue print upon which progress was charted and future courses determined. Schedules were raised or lowered as conditions seemed to warrant. The idea of a goal to be won, however, was always kept foremost in the minds of Russians. The fact that there was a plan, even if it was elastic, gave the people something concrete to work for and talk about. They had a slogan. Actually, the first Five Year Plan was completed in four years and three months. A second plan was inaugurated on January 1 of this year. The communists believe that after the third Five Year Plan Russia will be ready for outright communism.

The Plan in Operation

We come now to a consideration of the question of how the Five Year Plan has worked. We find that in many ways it has transformed Russia. Today the country is dotted with immense factories and power plants. Russia is producing more agricultural machinery than any country in the world. She ranks second in oil, general machine building and pig iron. She is fourth in coal and sixth in electric power production. This marks an advance over 1928 when Russia was fourth in agricultural machinery and tenth in electric power. It can be said that the Five Year Plan has given Russia the modern physical equipment to produce many of the things she needs.

In agriculture we find that eighty per cent of Russia is under collective farming. But here the communists found that their task was not so easy. The peasants were reluctant to give up their small holdings and join collectives. The authorities in Moscow became impatient and tried the use of force. This policy met with resistance from the peasants. They destroyed their crops and their livestock and sowed their fields carelessly. The result was a food shortage in the latter years of the first five-year plan which threatened to spell defeat for the communists. It might have proved disastrous had not Stalin shown the same keenness and understanding which had been exhibited by Lenin

when he decided on the NEP in 1921. Stalin declared that the peasants must not be forced into collectives. He permitted them to sell part of their crop if they wished. Thus the incentive for private profit, which had been taken away under the collective, was restored. It was again a case of compromising with capitalism. The first effect was to reduce greatly the number of collectives. But gradually the peasants returned and a bumper crop in 1933 won the day. The situation in agricultural districts is much improved.

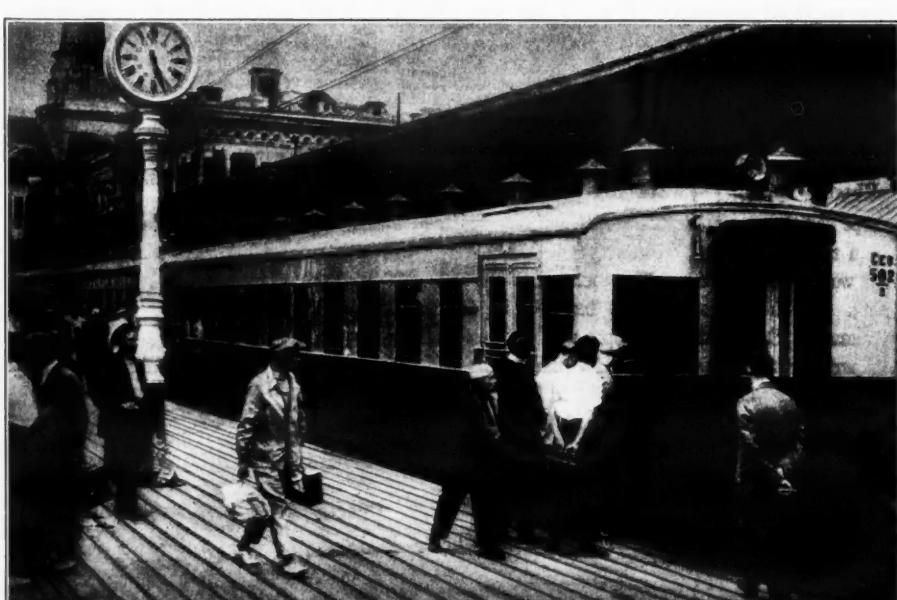
Added to all this, the communists have reduced illiteracy throughout the country to ten per cent of the population. There are 25,000,000 children in the schools. Likewise there are hospitals, libraries, social centers, and workers' clubs. The authorities have lifted numerous restrictions which tended to dull the life of the people. The Russian may now dance, attend theater representations which may deal with subjects other than the revolution, and has freedom of artistic expression in art and literature. None of this was permitted in the early days of the Bolshevik régime.

Difficulties

It must be admitted that Russia today is much better off than before the war. But the picture is not all bright. There have been many difficulties and many more are to come. The communists found that it was easier to build factories than it was to train people to operate them. A tractor might be built but it was another matter to teach a peasant to run it. In order to secure all their modern equipment, the Soviets had the assistance of foreign engineers and experts and they had the experience of other countries to draw upon. Thus, when we speak of the marvelous rate of progress under the Five Year Plan, we must remember that it was largely progress by imitation. The Russians did not have to discover how to build new machines and modern factories. The models were there ready for their use.

We must go deeper than this if we wish to have an exact idea of the progress of the Soviet experiment. There has been much greater difficulty in winning the people over to the strange methods and training them to new ways. The Five Year Plan with its innovations was pushed forward too rapidly for the capacity of the people. There has been widespread inefficiency and waste. There have been costly errors. But no one knows this better than the Soviets themselves. They argue that their faults are the faults of youth and that gradually they will outgrow them.

That they have serious problems before them cannot be doubted. An indication of (Concluded on page 7, column 4)



From U.S.S.R. in Construction

MODERN RUSSIA—AN ELECTRIC TRAIN IN MOSCOW

FHE farm strike, which began a few weeks ago but which was somewhat abated by President Roosevelt's recent radio address to the nation, was taken up with renewed vengeance last week as the entire agricultural section of the nation appeared to be seething with unrest and discontent. A few days earlier, five governors of agricultural states—Schmedeman of Wisconsin, Olson of Minnesota, Herring of Iowa, Langer of North Dakota, and Berry of South Dakota—called upon the president in an effort to secure further government action to help the farmer. The plan presented by the governors, one of the principal features of which was a scheme for price-fixing of farm products by the federal government, was flatly refused by the president and the farmers returned home, calling their trip to the capital a "100 per cent failure."

Thereupon, the farm rebellion gained new momentum. The tactics employed by the striking farmers were the same as those used in previous strikes and were aimed chiefly at withholding from the market farm produce until such a time as the prices were high enough to pay at least the costs of production. Pickets resorted to the use of force in seizing agricultural goods and destroying them. In order to cope with the acute situation, several of the states ordered out deputy sheriffs and held the state militia in readiness for whatever contingency that might arise.

Meanwhile, General Johnson, acting upon instructions from the president, invaded the Middle West where he was scheduled to deliver a series of addresses outlining the purposes and accomplishments of the NRA. Secretary of Agriculture Wallace was expected to follow the general into the West for the purpose of explaining to the farmers the objects of the farm relief plans of the administration.

British Parliament Meets

Considerable importance has been attached to the present session of the British parliament which opened in London last Tuesday. Principal among the issues to command the parliament's attention were the general European political crisis provoked by Germany's withdrawal from the League of Nations and the disarmament conference and the failure of the British mission to the United States to reach a settlement of the war debts issue. It was expected that Sir John Simon, the foreign secretary, would outline the government's policy with regard to disarmament and the European situation.

In so far as the internal political situation of Great Britain is concerned, the prime minister, J. Ramsay MacDonald, and other members of the cabinet were expected to uphold the accomplishments of the National government since it came to power two years ago in order to allay, as far as possible, whatever criticism that might be forthcoming. The recent political trend in Great Britain seems to have been away from the parties now in control of the government. In a number of municipal elections held November 1, the Labor party made substantial gains at the expense of the two other leading political groups, the Conservatives and the Liberals. The Conservatives sustained a net loss of 106 seats in the municipal councils; the Liberals a net loss of twenty-eight; the Independents forty-two; while the net gains of the Laborites were 176.

War Debts

The war debt negotiations between the United States and British governments which have been conducted at Washington during the last few weeks have come to an end without a definite and final settlement of the perplexing issue. The British mission which came to the United States, headed by Sir Frederick Leith-Ross, was unable to gain the concessions demanded with the net result that apparently the debt question stands exactly where it was before the negotiations.

As a result, the British government is confronted with two alternatives. It may either offer a "token" payment as it did June 15 when the last payment fell due, or it may follow the lead of France and other nations which have defaulted outright on their obligations. It is thought likely that the former course will be followed December 15 when the next installment is due and that Britain will pay \$10,000,000 as it did six months earlier. The issue was expected to come before the

Following the News

British parliament when it met last week when, it was expected, there would be a considerable movement for default.

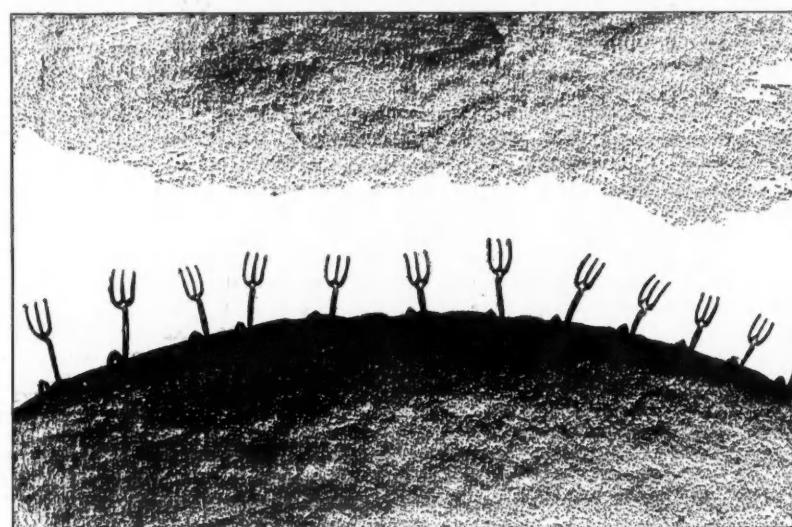
Narcotics Control

Last April a Narcotics Control Commission was set up at Geneva, Switzerland, to enforce the international narcotics treaty, which is a product of the League of Nations. This commission was given power to regulate the manufacture and trade in narcotic drugs in all the large countries of the world. It is said to have performed miracles already. The prediction is being

Fuller also implied that the United States still does not recognize territorial changes contrary to the terms of treaties. In other words, the United States still considers that Manchuria is a part of China and therefore comes under Chinese laws. As China signed the narcotics treaty, the United States believes that Manchukuo should be compelled to comply with the terms of the treaty.

Henry Ford and the Blue Eagle

Just when it seems that the troubles between Henry Ford and the NRA are



ON THE WESTERN FRONT

—Fitzpatrick in St. Louis POST-DISPATCH

made that the use of harmful drugs will soon be reduced to a minimum in Europe and America as a result of the power given to this commission.

However, the United States Department of State has warned the League of Nations against the opium "menace" to the League and to the world created by Manchukuo and Jehol, two independent states set up by Japan. In a recent statement to the League, Stuart Fuller of our State Department said:

"I refer primarily to the establishment in defiance of Chinese law of the so-called

being ironed out, something new arises to disrupt the co-operative machinery between the two. Mr. Ford has not signed any agreement which entitles him to fly the blue eagle. But so far as NRA officials are concerned, neither has he violated any specific provisions of the general recovery act. They have intimated that if Mr. Ford should fail to submit to the Automobile Chamber of Commerce, as the code-governing body of the automobile industry, figures regarding his employment, working hours, and wages, that this would constitute a violation of the blue



MESSENGER: "MR. LITVINOFF TO SEE YOU, SIR."
PRESIDENT ROOSEVELT: "SHOW HIM IN."

opium monopoly, which is even now operating in Manchuria and Jehol, an institution which has since its establishment been aptly characterized as the largest single venture ever undertaken in illicit traffic in narcotics. There can be no question the concern was established for the express purpose of extending and exploiting the smoking of opium. . . . Exploitation of Manchuria as a base for international illicit traffic will inevitably follow the introduction of Persian opium."

In addition to attacking Manchuria for her increasing traffic in narcotics, Mr.

ials declared that they are living up to the provisions of the NRA.

Loans to Railroads

Further efforts to increase employment in the so-called heavy industries were made during the week. The Public Works Administration decided to allot \$135,000,000 to railroads for two principal purposes. The sum of \$51,000,000 is to be loaned to the roads to permit the purchase of steel rails. The remaining \$84,000,000 is to go to the Pennsylvania Railroad Company for the purpose of completing the electrification of its lines between New York and Washington.

Some estimate of the part these loans may play in furnishing employment may be gathered from statements by Col. Henry M. Waite, deputy administrator of public works. Mr. Waite says that more than 1,300,000 tons of steel will be moved, and 132 new locomotives and 700 freight cars will be built. This will mean that more than 20,000 men will be put to work.

Al Smith Comments

People are saying all manner of things about the NRA. Some of them are favorable, and some are unfavorable. Some of them are said by persons prominent in the public eye. Take for example, the comments last week of former governor Alfred E. Smith of New York.

Writing in his magazine *The New Outlook*, Mr. Smith declared that some of the workings of the NRA program are "all very puzzling," and that "today a good many patriotic people are scanning the horizon for the first light of returning prosperity, are trying to find out whether the flag of the Constitution still waves."

Treaty With Greece Ended

The Greek courts have refused to return Samuel Insull to the United States to stand trial for practices which led to the collapse of his one-time public utilities empire of the Midwest. In refusing thus to extradite an American wanted by this government, the Greek nation called down upon itself the renunciation of the treaty governing the extradition of nationals between these two countries which has been in existence for about one year. On November 4 the United States denounced its treaty of extradition with Greece.

Japan and Russia Confer

The Japanese, last week, made an effort to settle outstanding issues with the Soviet government. In Tokyo, Foreign Minister Hirota held a three-hour conference with the Soviet ambassador during which all major differences were discussed. The Japanese were understood to have asked that Soviet troops in Siberia be withdrawn and that Moscow cease spreading anti-Japanese propaganda. The Russians retorted that Japan might relieve the tense situation by releasing arrested Russian officials of the C.E.R. and by renewing negotiations for the sale of the road.

Repeal in Sight

As this issue of THE AMERICAN OBSERVER goes to press, six states are voting on the question of prohibition repeal. The people of Kentucky, North and South Carolina, Ohio, Pennsylvania, and Utah are electing delegates to the state conventions which will formally register their decision. Since thirty-three states have already ratified the twenty-first amendment, only three of the six are needed to seal the fate of the eighteenth amendment. It has long been taken for granted that at least the requisite number would vote for repeal. National prohibition, however, cannot be legally removed from the statute books until the state conventions meet and the thirty-sixth convention will not have convened until December 5.

New York Election

The New York mayoralty election, one of the most hotly contested political battles in years, was held November 7. As the returns are not complete at this writing, we shall have to defer an account of the results until next week. The pre-election campaign, however, closed with the supporters of the three principal candidates confident of victory. Political observers in the main predicted the election of the Fusionist candidate, Fiorello H. LaGuardia, Progressive Republican. Their calculations were based upon the straw votes held, the split in the Democratic party due to the candidacy of Joseph V. McKee, and the general dissatisfaction with the city government now in power.

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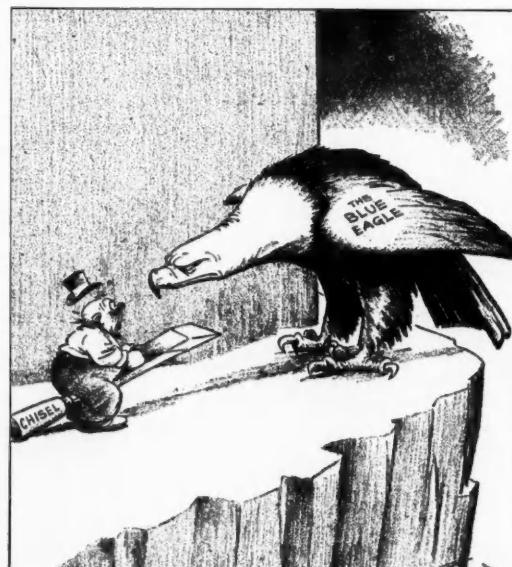
VOL. III WEDNESDAY, NOVEMBER 15, 1933 NO. 11

The State of Business

How is business? Are we headed definitely toward recovery? Or are the forces which for four years have been dragging us downward still dominant? These are questions which millions of people are anxiously asking themselves and their neighbors. It is hard to answer them; so hard that the average citizen is likely to give up the attempt at a scientific answer. He is likely to reply to such questions according to his mood. If he is feeling well and is inclined to be optimistic, he says that he thinks business will soon be better. If he is of a pessimistic turn of mind he assumes the opposite. But difficult as it is to size up economic trends, the effort at honest understanding may well be made by fairly well-informed persons.

There are certain sets of figures which we may watch. One of them is production. The production figures which are published are not 100 per cent accurate, but they are at least valuable. The production record shows that there was a very marked increase last spring and early summer. Since the latter part of July there has been a falling away of production. Even so, most factories and manufacturing establishments are putting out a greater quantity of goods than they did a year ago. In some lines the level is far higher than it was. In others, there has been a dropping down. But on the whole, it may be said that the factories and mills and shops of the nation are turning out twenty-five per cent more product than they did in March and ten per cent more than they were putting out a year ago. This is important. If production of goods can be kept up employment will be kept up; while if production does not maintain itself fewer employees must necessarily have jobs. It is in the record that about 3,600,000 more men and women are at work today than were working last spring. This means that from a third to a fourth of those who were unemployed then have places now. Can these places be held? It depends upon whether production of goods, which was greatly stimulated last summer and which has fallen off since, continues to fall off, or whether the present levels can be maintained, or even raised. It may be that the lag in production during the last few weeks is due to the fact that there was too great a spurt in the spring and early summer. Perhaps when the surplus which was then produced has been used up, we may resume the upward trend again.

Here is another thing to watch: Is purchasing power increasing? The purchasing power is increasing if the people, taken as a whole, are able to buy more than they were able to buy a few months or even a year ago. In that case a higher level of production can be maintained.



STOP, LOOK AND LISTEN!

—Talbert in Washington News

But if people cannot buy more, more cannot be produced. What about the purchasing power figures?

The Department of Labor reports that during September the amount paid to factory employees was \$64,000,000 greater than last spring. There are figures to show that farmers are receiving sixteen per cent more for the things they sell than they were receiving a year ago. This would indicate that the farmers and laborers are in a position to buy more goods than a few months ago. We must take into account, however, that the prices of goods in department stores are, on the average, twenty-three per cent higher than they were last spring, that food at retail sells for about nineteen per cent more, and that all the things entering into the cost of living are, on the average, nine per cent higher than they were in April. It is probably true that prices have increased faster than wages, which would indicate that those who have been employed all the time are able to buy less goods now than a year ago. This of itself is a bad sign, but on the other hand, a larger number of persons are employed. So when we ask the question as to whether the laboring people in general can buy more goods—can call upon the factories for greater output—the answer is in some doubt, with indications pointing toward the probability that workers as a whole may be able to buy somewhat more.

The farmers can probably buy more goods now than they were able to buy a year ago, but certainly much less than they could have bought last July. On July 15, farm prices were seventy-six per cent of the pre-war prices of farm products. On October 11, the prices of things raised on the farm had declined to sixty-nine per cent of the pre-war average. At the same time the prices of the things the farmer was obliged to buy had risen instead of fallen. On July 15, the prices of the goods the farmer buys were 107 per cent of the pre-war average. On October 11, these prices were 111.5 per cent of the pre-war average. So the farmer's purchasing power is going down.

The picture as we have presented it thus far is not a very encouraging one, but there are brighter aspects. The full force of the recovery program has not yet been felt. The building program is getting under way more speedily. Laborers are beginning to find employment in public works due to the increase of building by the government. The total of building of all kinds shows a gain of more than twenty-six per cent—more than a fourth—over last year. It may be that when the public works program unfolds itself more completely it will lead to a considerably larger employment and consequently a greater purchasing power. There is also a possibility that farm prices may turn upward. Such is the president's plan. Much money which has been tied up in closed banks is soon to reach depositors. This will add to the purchasing power and the consequent demand for goods.

And here is another encouraging fact: The supply of goods of all kinds in stores and warehouses is very low. Even though the purchasing power of people does not increase much, it is possible that there may soon be an increasing demand for the product of factories in order to fill vacant shelves. Little as retail stores have been selling, they have been selling more than they have been buying. If the present volume of sales continues, it is quite possible that increasing calls upon wholesalers and then upon factories may soon be necessary. There is at least a fair chance, then, that the course of business, which experienced a sharp upturn in the early summer and a recession since, may shortly resume the upward tendency, though probably at a fairly slow rate.

The Debt Discussions

War debt discussions with Great Britain seem to have broken down and the problem remains unsettled. A year ago this would have aroused considerable excitement in this country. Today, it passes by scarcely noticed. The New York *Herald-Tribune* discussing this change in the public's attitude states:

The excitement aroused both here and in Great Britain by what appears to be the final breakdown of the Anglo-American war debt discussions might be described as overwhelming in its non-existence. It was but a year ago that the possibility of such a result was filling the front pages in both nations; it was what led to the dramatic Hoover-Roosevelt correspondence in the unhappy period of the "interregnum," and as late as last June a final break would still have been a sensation. Now that it seems to have come, the whole matter is of the slightest importance. Great Britain, it is understood, will continue the "token payment" policy and Congress may possibly take some action this winter. But the war debt system has fallen into ruins beyond any possible repair, and people today appear to have too many other more pressing problems to think about for them to waste much time on the subject.

Johnson Speaks Out

General Johnson, in the first speech delivered upon his western tour, undertook effectively to answer the criticism that has been leveled against the NRA on the grounds that it is unconstitutional; that it violates the traditional freedom of the press. Speaking before the Chicago Association of Commerce and the Illinois Manufacturers Association November 6, the general declared:

I knew that it (the NRA) stepped on a few toes—and some of the biggest kickingest toes in the country. I knew they had



CALLING OUT THE WOMEN'S BATTALIONS

—Darling in N. Y. HERALD-TRIBUNE

been used to trampling anybody who opposed them and I knew that as soon as they dared they would turn on the NRA. I was deliberately threatened with this attack some months ago, and at least it is no surprise. . . .

Let the few powerful men who have opposed parts of this law from the day it was introduced in Congress step out and give their real reasons—not freedom of the press, not fear of a dictator—but their real-honest-to-goodness reasons.

They want the benefits of this act, but none of its burdens. They want to organize and combine and escape the inhibitions of the Sherman Act, but they don't want to give anything in return for these benefits. They don't want public safeguards against the exercise of these new rights of theirs. They want to take everything and give nothing.

They have been asking for their benefits under this law ever since the war. At the depth of the depression they filled Washington with their clamors for them and acceded to most of the clauses to which they now object.

Preserving Health

The Milbank Memorial Fund, as a result of its studies of health and medical care, comes to the conclusion that the federal government should take a more active interest in the preservation of health. The report of this organization suggests that it may be advisable after a while to create a department, with a cabinet member at its head, to look after social, education and welfare activities, including the preservation of health. The New York *World-Telegram* discusses the report editorially:

The fund, as the result of its far-reaching researches, holds that the advantages of public health cannot be carried to the millions now lacking it without a national health plan. And a national health plan, it believes, would be ineffective without federal leadership and financial help.

The organization finds that a pitifully small number of families have opportunities for diagnosis and preventive treatments, which are regarded as fundamentally important, prevention being the true aim of public health; the death rate among infants and youth has been cut greatly, but the death rate among the middle-aged and old age has not appreciably diminished.

States are increasingly looking to the federal government for funds. The money comes from the same people as if it had been collected by the states directly. But there is an element of equalization among states, through the collection of income taxes from wealthy men and corporations which may have their domiciles in one state but draw their sustenance from many.

Also the public, which would rebel at larger taxation by the localities and the states, responds when a third agency, the federal government, takes its third bite out of the tax cherry.

Since it is undoubtedly true that health is the fundamental need of human beings, the time seems not far off when the national government will accord this activity, along with education and social welfare, a Cabinet importance equal to that of the military, the army, navy, justice, commerce, etc.

Officers with drawn swords and soldiers with fixed bayonets formed the guard of honor at a recent wedding in Paris. It turned out that such a military display was unnecessary, however, as the bridegroom chose to go quietly.

In some respects the idea of finger-printing children seems to be a good one. At least it will settle the question as to who used the guest towel in the bathroom.

—Philadelphia INQUIRER

An army supplies its soldiers not merely with uniforms, but with a religion, and calls the result morale.

—A. A. Berle, Jr.

Auto manufacturers now test their cars by having a stock model driven on a proving ground until it is totally ruined. That sounds like a job where a college education should help a lot.

—JUDGE

Muckraking Days Recalled by Russell

**"Bare Hands and Stone Walls"
Covers Fifty Years of American Scene**

CHARLES EDWARD RUSSELL in his personal reminiscences compiled under the title, "Bare Hands and Stone Walls" (New York: Scribners, \$3) traces the various reform movements in American politics during the second half of the last century and the early part of the present century. Among these were the Greenback movement, which rose to considerable proportions after the Civil War. In tying up the outstanding demands of that party with the record of the Roosevelt administration up to the end of the last session of Congress, Mr. Russell makes the following significant statement:

This left nothing unfulfilled of the Greenback program except the abolition of the national banks, and three bills were pending (May, 1933) to achieve that result. Every other plank in the Greenback platform of 1880 had either been adopted by the government or had come to be regarded as a manifest truism. Like it or dislike it, this was the situation in 1933, was it not? Then please note next that in 1880, the party that held these doctrines was composed, according to contemporaneous comment, of rogues, cranks, lunatics, knaves, and traitors. . . . The land resounded with indignant denunciations of these perilous revolutionists. It was worse than any ordinary public condemnation; to admit sympathy with the detestable Greenbackers was to be ostracized socially, commercially, and culturally. Respectable men refused to speak on the street to Greenbacker acquaintances, brothers and sisters withdrew the right hand of fellowship at the prayer meeting, and it was seriously debated whether a Greenbacker ought not to be expelled from the church.

Mr. Russell's new work belongs to that ever-expanding literature of reform the main function of which is to analyze the various forces that have endeavored, since the middle of the last century, to uproot the most flagrant evils that have become deeply entrenched in our body politic and economic. To say that such literature is interesting and valuable is trite. It cannot be perused by even the most lukewarm of citizens without a feeling of indignation at the tales of exploitation and abuse. "Bare Hands and Stone Walls," covers this aspect of our history in such a way as to make the vital forces stand out in bold relief.

Authors and Other Authors

"It Was the Nightingale." By Ford Madox Ford. Philadelphia: Lippincott. \$3.00.

FORD MADOX FORD deserves a position of rank among the literary figures of the post-war period. Not because his various novels have been conspicuously successful, for they have not. Nor because he has contributed anything new or unusual to contemporary literary thought. But because Mr. Ford has in no small way been responsible for bringing to public attention such writers as Ernest Hemingway, D. H. Lawrence and T. S. Eliot through his two literary journals, the *English Review* and the *transatlantic review*.

"It Was the Nightingale" is supposed to be Mr. Ford's autobiography. It is, however, more a commentary on prominent literary figures of the contemporary period. Through its pages pass such a galaxy of writers as the late John Galsworthy, George Moore and Marcel Proust, and the still very-much-alive Gertrude Stein,



THE RIVER PACKET—RELIC OF A BYGONE DAY
Illustration from "The Log of the Betsy Ann"

James Joyce, Sinclair Lewis, Hemingway, Theodore Dreiser, and many others whose names are familiar to even the most superficial of literary dilettantes.

A Medieval Braggart

"Benvenuto Cellini and His Florentine Dagger." By Victor Thaddeus. New York: Farrar and Rinehart. \$3.50.

BENVENUTO CELLINI was probably the biggest liar and braggart that ever graced the earth with his presence. As one reads his autobiography, one cannot refrain from smiling and blinking at some of the tales of individual achievement. But one cannot aspire to a full understanding of that period of history generally classed as the Renaissance without some idea of Cellini and his work, for he represented the spirit of that era as fully as any figure of the fifteenth or sixteenth century.

This new work on Benvenuto Cellini follows in a general way the lines of the famous autobiography. The author is not overexacting as to factual accuracy and seems never to question most of the statements made by the Florentine goldsmith

in spite of the fact that historians have been prone to doubt their veracity. Apparently the author's purpose was not to present a critical interpretation of Cellini but rather to bring forth a study that would with one stroke trace the major achievements of his eventful career and give a colorful and lasting picture of the final stages of the Renaissance.

River Lore

"The Log of the Betsy Ann." By Frederick Way, Jr. New York: Robert M. McBride. \$2.75.

LIFE on the Mississippi was made famous by Mark Twain. His vivid accounts of river boating have become an essential part of American folk history. He dealt with an aspect of American life which has all but disappeared under the crush of the machine age. An exception is the *Betsy Ann* which has been in service for more than thirty years, and is now the property of Captain Way. The story of his experiences as skipper of the *Betsy Ann*, while it cannot be ranked with Mark Twain's writings, is interesting and certainly authentic.



THE CRUSADERS"—AN IMPRESSION OF MUCKRAKING
Illustration in "Bare Hands and Stone Walls"

FROM CURRENT MAGAZINES

"The Crisis of the N. R. A." Editorial. *The New Republic*, November 8, 1933. The time is fast approaching when the president will have to make a momentous decision with regard to the NRA. He will have to take sides in the fundamental dispute between those who have in the past ruled industry and finance and the great mass of the population. He cannot remain on the fence, hoping to reconcile the conflicting elements. The fundamental purpose of the NRA—the improvement of the well-being of the average citizen—cannot be accomplished without casualties to a great number of the financial wizards and economic barons of the past. In a word, the administration will have to make its choice and then wield an iron hand in carrying out the program if it is to prevent opposition from all without giving complete satisfaction to any element of the population.

"The Insurance of Bank Deposits." By Evans Woollen. *The Atlantic Monthly*, November, 1933. It is not certain that the new bank-deposit guaranty plan, which goes into effect January 1, will be successful. States have tried this experiment on eight occasions and each has resulted in failure. A similar fate may await the national government's experiment. Much will depend upon the effectiveness with which the federal government supervises the banks the deposits of which will have been guaranteed. But despite these doubts, the plan should be tried because something drastic must be done to prevent the losses that have accrued to millions of individuals during the last few years as a result of the uncoordinated banking system.

"Present Victims of a Past Inflation." By Alicia O'Reardon Overbeck. *The New York Times Magazine*, November 5, 1933. In terms of human life, mostly by means of direct conversation, this writer retells the story of German inflation of the early twenties. Family after family, through sacrifices and savings of a lifetime, considered itself in a position of relative security after the war only to find their savings vanish almost overnight with inflation. The effects of this disaster are apparent today in Germany where men and women, formerly comfortably situated, are obliged to do the most menial of jobs in order to eke out a bare existence.

"The Revolution in Agriculture." By Alicia O'Reardon Overbeck. *The Living Age*, November, 1933. No less significant in its repercussions upon modern civilization than the industrial revolution of the last century is the revolution through which world agriculture is now passing. Acreage-reduction plans, such as those now being put into effect, are of little avail since they do not reduce production as "rapidly as new technical devices are increasing it." The only bright spot in the present picture is the possibility that alcohol manufactured from farm products may be successfully utilized as fuel and thus create a market sufficiently large to absorb the production of which the farms are capable. If such a use for farm products is not found in the near future, the farmers cannot hope to find prosperous conditions again, whatever measures of relief are tried by the government.



THE LEISURE TIME CLASS IN RACINE, WISCONSIN

Racine Provides Leisure Time School for Jobless High School Graduates

As long as prosperity keep the wheels of business and industry running at full tilt, boys and girls who emerge from high schools armed with diplomas are able to break ranks and step into jobs, or join the increasing stream of youth that flows into the colleges. When, however, depression like that of the last few years jams the wheels of business and industry, there are few jobs to be had by anyone, much less by the youth fresh from high school. Furthermore, the hope of going to college once entertained with enthusiasm by such a group fades farther into the distance with the growing specter of depleted incomes.

What shall the high school graduate do? He cannot find a job. He cannot go to college. Shall he be allowed to drift about in his community, taking up whatever occupations, or hobbies, or recreation he can find, whether they be good, bad or indifferent?

A high school teacher—Miss Harriet A. Harvey of Racine, Wisconsin—like many other persons, was deeply concerned about this problem. But, unlike many other persons, she decided to try to do something about it. She talked with the secretary of the Y. W. C. A., and together they talked with other civic, educational and religious leaders of the city. Something could be done, they decided, something which the idle high school alumni immediately said that they would like to have done.

There was no money in the community for a project such as had come to the minds of the planners. But the community did have other resources. For example, there were: educational, welfare and religious institutions with trained leaders; possible teachers with time on their hands; young people with an eagerness to carry on; the public library; and a sincere concern of family and friends for individual young people.

This is how there came into being the first Leisure Time School in the United States. The faculty was made up of employed professional people who volunteered their time, and unemployed persons who wanted to be teachers. The students were high school alumni who had an enforced idleness on their hands. The courses were a delightful assortment of academic and recreational subjects, enrollment in the latter being contingent upon the former. These courses included: gymnasium, social dancing, bridge, dramatics, art, creative writing, public speaking, literature, personality, life problems, library orientation, nature study, photography, astronomy, and philosophy.

Starting its second year, the Leisure Time School is now offering some work that will receive credit at the University of Wisconsin. Last spring the legislature appropriated \$30,000 in scholarships for students who might want to take freshman college work for credit. Two large classes

in English and mathematics are being taught by university professors.

When once again the wheels of industry and business are running at a steady pace, there will be some young people in Racine who can step into jobs that open up, with some measure of development to show for their period of enforced idleness.

Over a Million Children Affected by School Cuts

When September, 1933, rolled around, it brought with it numerous perplexing questions for those persons who were interested in American education. In the first place, this question presented itself: How many of our schools will have sufficient money to open? In the second place, this question presented itself: How long will the schools that do open be able to remain open?

Fearing a real disaster to the program of American education through lack of funds to carry on the work of the schools, the Joint Commission on the Emergency in Education of the National Education Association decided to try to get a general picture of the situation. In such a short time it has been impossible to make a complete study of all schools in all sections of the country. But from a survey of the rural school situation in several representative states made by this commission it is possible to get an idea of the trend of the times as far as education is concerned.

Inquiries were sent to 3,520 county school superintendents or equivalent rural

or state school officers. These inquiries were in the nature of three questions, namely: 1. How many schools in your area failed to open in September for lack of funds? 2. How many schools in your area will be open for only three months? for only six months? 3. How many teachers in your area are receiving wages less than the amount provided in the president's blanket code?

Here is the story that was told by replies to these inquiries from 1,886 counties: There were 2,016 rural schools which failed to open in September because of lack of funds. This means that 110,800 children who would normally have attended these schools have been denied educational opportunity this year.

There are 715 schools which will be unable to operate more than three months at the most, because of lack of sufficient funds. This means that 35,750 children will not have anything approaching a full opportunity in education during this year.

There are 18,290 schools which will not be able to remain open more than six months. This means that the educational opportunity for 914,500 children will be considerably curtailed.

Taken all together, in the restricted field examined, 1,025,300 children will not have the educational opportunity during the year 1933-34 which would normally be accorded them.

Although it was somewhat difficult to compare the wages received by teachers with those set down as the minimum in the president's blanket code, an approximate comparison was possible. Taking the sum of \$750 as a sum nearly equivalent to the amount set forth in the code for factory, mechanical workers and artisans, the following was discovered about teachers' salaries:

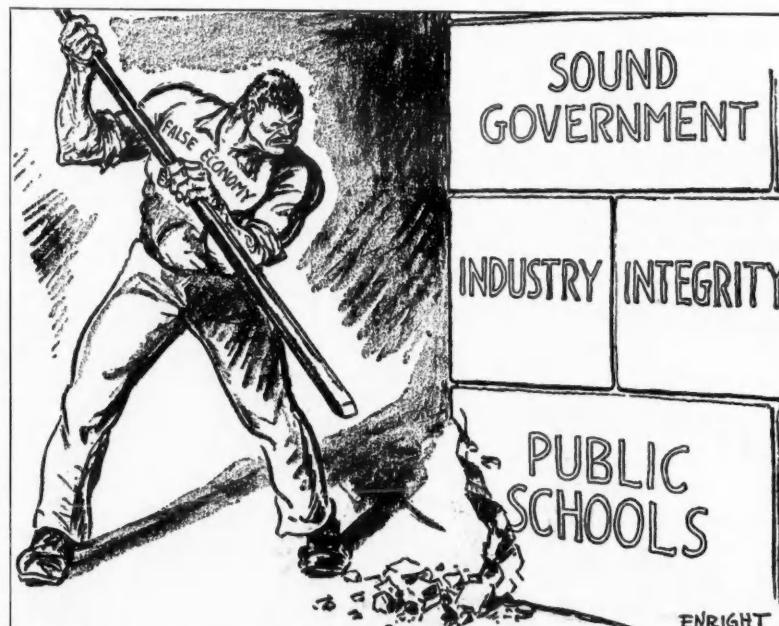
209,573 teachers are receiving less than \$750 a year.

84,036 teachers are receiving less than \$450 a year.

There are approximately 860,000 teachers, principals and supervisors in the public schools in the United States, of whom some 450,000 are in rural areas. This means that in this school year approximately one half the rural teachers in the nation are receiving an annual salary of less than \$750, and one in every five is receiving less than \$450. The investigators draw the conclusion from their limited findings that of the entire public school teaching force of the nation, at least one in four is receiving annual wages below the minimum provided for factory hands under the blanket code established by the NRA.

A lady novelist thinks that thirty is a nice age for a woman. It is, especially if she happens to be forty.

—Boston TRANSCRIPT



DESTROYING THE CORNERSTONE

—Enright in Washington HERALD

National Drive for Community Chest

Newton D. Baker Leads Campaign to Provide Relief During Winter

The winter will be a hard one, with several million families facing destitution. The story is not new this year; in fact, it is growing old with something like four years' repetition. But, just as the resources of the nation are being mobilized to speed up economic recovery, just as the man power of the nation was mobilized in time of war, so the wealth of America is being mobilized at this time to meet human needs.

The federal government already has embarked on the task of helping to feed and clothe those who are unemployed as a result of the depression. But this work does not begin to touch the ordinary everyday job of the various agencies in every community which are helping the unfortunate. The work of this latter group involves much more than providing food and clothing—it includes the providing of medical care for the sick, homes for the crippled, the orphans, the aged, means of accommodation for the homeless and penniless wanderer, vocational instruction for the idle, camps for the undernourished, institutions for helping unfortunates to rehabilitate themselves mentally, physically and spiritually.

Institutions and agencies of this character depend for support largely upon funds that are given to them by the members of the community—in other words, from private funds as distinguished from public funds which come from the government. Many communities raise the money for these agencies through an annual drive for funds. The drive is often called the Community Chest drive, and this is the time of the year for such drives.

Although each of these Community Chest drives is a local affair, the federal government has decided during these last three years to assist such campaigns by calling attention to them in a national way. Thus, we have the 1933 Mobilization for Human Needs.

The person at the head of this 1933 peace-time mobilization, once had charge of the mobilization of the American people for war. He is Newton D. Baker, one of Cleveland's "first citizens," an outstanding lawyer, and supporter of many important movements. During the war this man was President Wilson's secretary of war.

Pointing to the increasing need for support of the agencies which are trying to provide for more than the physical needs of a people whose spirit and health are broken through the hardships of the last few years, Chairman Baker, in a mobilization call published in a recent issue of the magazine of the New York Times, says:

Institutions which work in fair weather, but break down in times of stress, find no permanent allegiance united in their support. In this view our response to this crisis may in some degree measure the confidence with which we build upon democracy as a permanent form of social organization.

G. O. P. RALLIES

The Republicans have begun to train their big guns on the political opposition. In the first campaign handbook published by the G. O. P. since the advent of the Democrats on March 4, the Roosevelt administration is charged in no uncertain terms with broken campaign pledges, failure to maintain a sound money policy, failure to reduce government costs by twenty-five per cent, and failure to make good on public works and agricultural relief.



HOW THE STATES WILL LINE UP AFTER THE REPEAL OF PROHIBITION

Prohibition Repeal Revives Old Issue

(Concluded from page 1, column 1)

high license. Under local option a township, city, or county could decide, usually by means of general elections, whether it would grant licenses for the sale of liquor. If the people voted to grant licenses, the community was "wet"; if they refused to grant them, the community was "dry." These elections were held at intervals, so that a city might be wet for a year or two, and then vote dry for a like period.

Old Remedies Failed

This method kept the question of liquor control a matter of constant concern in politics. Elections were corrupted by the desire of liquor dealers to establish their businesses, and by the efforts of the temperance societies to maintain dry laws. The high license form of control consisted simply of the erection of so high a price for a liquor license that very few could afford to pay it. The intended result was that the liquor business should thereby be discouraged.

In practice neither method was as successful as had been hoped. The citizens of a dry town could often buy liquor in a neighboring wet community. Liquor dealers sometimes got around the license provisions, and even the high fees charged did not always reduce the amount of drinking done.

The progress of state prohibition had gone so far by 1919 that thirty-three states had adopted total prohibition within their borders. Shipments of liquor from wet states into dry states was made illegal by the Webb-Kenyon law, passed by Congress in 1913. This act was put through over the veto of President Taft. The president objected on the ground that it gave to states the federal power to regulate interstate commerce. High license, local option, and state prohibition all gave rise to the illegal liquor traffic through bootleggers. Often a dry victory and the cause of temperance were undermined by the activity of dealers who took the risk of evading the law.

National Prohibition

The thirteen-year experiment of national prohibition caused many new troubles. And in many cases it aggravated the old ones. To a large extent the liquor traffic continued through illegal sources. Complete enforcement of the law was not possible. The amendment was not supported by public opinion, particularly in the cities. Many people felt that a general disrespect for law and order had grown because the prohibition laws were openly broken. At the same time bootlegging was tied up with other forms of crime; criminals carried on their warfare against the law by using the money they made selling liquor. A popular

uprising against prohibition resulted. It has reached its height during the last year.

Now that repeal of prohibition is certain, the old problem of liquor control promises to return. The two major political parties and other agencies which have declared themselves in favor of repeal have also stated that they are against the return of the old-time saloon. They believe that most of the evils caused by the traffic in liquor arose from the saloon. In the barroom of the pre-prohibition era very little restraint was placed upon liquor sales. Men often bought more liquor and spent more money than was good for them. If we prevent the return of the saloon we may avoid some of the bad practices which went with it in former days.

The object of liquor control, then, is to preclude a repetition of the sad experiences of the past, and to make the United States a temperate country. According to advocates of various controlled sales plans those who care to drink liquor may be allowed to do so without injuring themselves and others. It is an ideal which will be difficult to achieve.

This question is up to the state governments. The federal government cannot tell any state how it should establish control. At present more than half the states retain their state prohibition laws. Until these are changed, all those states will be protected by the Webb-Kenyon law. It will be illegal to ship liquor from wet states into dry states; and of course manufacture of intoxicants within the dry states will not be allowed. It is expected that the legislatures of many of these dry states will act within the next two years to permit popular elections, to decide whether they shall keep their prohibition laws.

Control in Wet States

There remains the matter of control in the states which, according to their present status, will be wet when repeal comes. It is not easy to learn how many states are now "wet," because of the varied ways in which they have set up prohibition laws and repealed them. The best possible estimate indicates twenty-one such states. In ten of them liquor control plans have already been passed as laws by their legislatures. In all the others commissions for the study of liquor control have been appointed. These commissions will report to the legislatures, and laws governing liquor selling may be passed before repeal goes into effect.

Because the plans already set up differ so widely, it is not possible to describe the general trend. All of them aim to forbid the old saloon. Some allow the sale of liquor in hotels and restaurants; others do not. In some states, the sole liquor dealer will be the state itself. State liquor stores will be open during certain daytime hours in the communities which indicate that they want such stores. Local option will prevail in several states, along with close state supervision. In this way, it is hoped

that those cities or counties which want complete prohibition may have it, even though another part of the state is wet.

One example of a state control plan is that which will take effect in Montana when repeal occurs. The state of Montana will sell all liquor within the borders of the state. This will be done through state stores in each county seat and some other towns; the stores will be open from noon to eight p. m. every day except Sundays, holidays, and election days. All profits and tax revenues will go to the state, with the exception of federal taxes. No liquor will be sold to any person without a permit issued by the state, and it must be consumed in the residence of the buyer. It will be unlawful to drink liquor in any public place.

follow, Mr. Rockefeller endowed a group of experts to study the question of control. The members of his board have worked for several months. They have studied the history of liquor legislation in the United States. They have also examined the experience of other countries which possess systems of control. The best examples are those of the Canadian provinces, and of Sweden, Russia and Great Britain. The Rockefeller board recently made public its report, which stated that effective control could be maintained, and recommended several procedures as practical for various states. With public opinion strong and active behind present con-

Several of the state repeal and control laws contain specific provisions which provide that no legislation for liquor control may permit the return of the saloon. So far no state which has enacted control laws allows saloons. These states have been very careful in laying their plans, because they wish to derive tax revenues from the sale of liquor. They want to restrict its use to a moderate and temperate degree, so that it will be impossible for the old abuses to arise and cause a reaction of public sentiment against liquor.

RUSSIA PASSES SIXTEEN YEAR MARK

(Concluded from page 2, column 4)
the opposition they must face is to be found in the peasant revolt against the collective. The Russian peasant is grasping, anxious to acquire all he can for himself. He has been made so by years of privation. When he was asked to give up too much to the government through collectives, he refused. Moscow had to give in and had to bring back the persuasive influence of profit. They have yet, therefore, to overcome that urge to accumulate property which has for centuries been classified among man's instinctive traits. They have yet to abolish such capitalistic earmarks as price, profit and unequal consumption and distribution of goods. Distinction between individuals has not been fully wiped out in Russia.

The communists know all this and are confident as ever that they will succeed. They do not claim to have established communism but believe that they are preparing Russia for it. They place their hope in the younger generation and are convinced that the old characteristic traits which are barriers at present will be surmounted in the future. They point to the vast gains which they have made in a short space of time, and argue that theirs is a social, political and economic revolution and that it will take time for its full accomplishment.

There is one thing, however, which the Soviets no longer believe. They realize now that the world revolution to which they were once committed is not going to take place soon. They have, therefore, ceased to agitate for this event and are concentrating their attention on their own country.



LOOK OUT WE DONT REEFAT OUR OWN PURPOSE

—Darling in N. Y. HERALD-TRIBUNE.



Week by Week with the N. R. A.



Studies of the Government in Action



FOR several weeks this page has been devoted to the weekly developments of the NRA. Attention and interest of the country has been concentrated on the industrial recovery administration. The NRA is only one section of the recovery program, as President Roosevelt explained in his radio talk of October 22. The public works administration, the agricultural adjustment administration, and the various corporations set up to finance loans on homes and farms—all these are "pillars" in the recovery structure, similar to NRA. They have moved forward along with it. Industrial recovery has been so important, however, that it has received the lion's share of publicity. The NRA program has reached the point where it is being critically examined on all sides. There is a general stock-taking. If we join now in this examination, we shall be able to understand what progress has been made and what remains to be done. Then we may go on to consider other sections of the recovery program as they relate to the NRA.

History of the NRA

The National Industrial Recovery Act was passed by both houses of Congress early in June and signed by the president on June 16. The law was designed as an emergency measure, because of the chaotic condition of industry during the last few years. Business had become completely disorganized. Millions of men and women were out of work. Prices had fallen lower and lower. Destructive competition had arisen in almost every industry. The purchasing power of the people had decreased. In order to sell more goods, business men cut their costs in every way so they could offer lower prices. Wages were cut to the limit. Sweatshops multiplied in many industries, in which men and women worked long hours for less than a living wage.

The law provided for a mechanism whereby industry could set up codes of fair competition. One business man alone, or even a whole group of business men, could not accomplish the remedies individually. The codes were drawn to end the abuses in industry by united action.

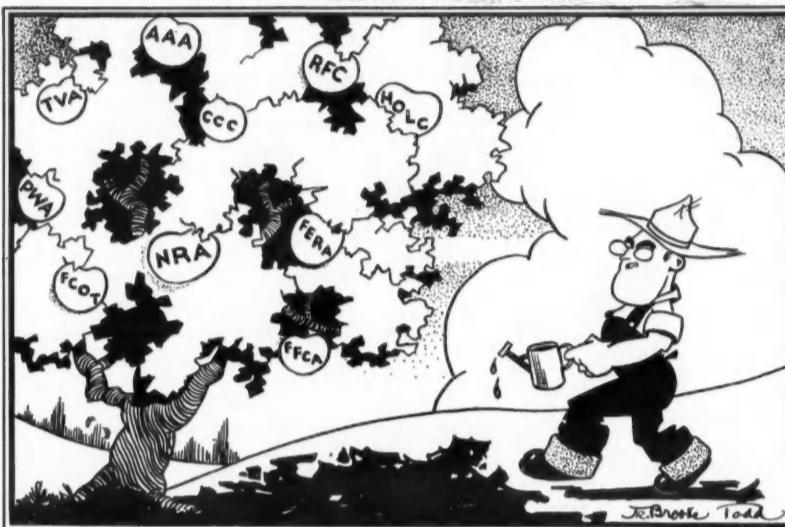
In July, the president's reemployment agreement, with the blanket code and the emblem of the blue eagle, was put into operation. This agreement was signed by business men who promised to pay minimum wages, not less than fourteen or fifteen dollars. They also agreed to establish maximum working hours for their employees, not more than forty hours. This procedure was followed to speed the program, without waiting for separate code hearings in each industry. The blanket code served as a model; most of the individual codes signed since then have contained the same kind of provisions for hours and wages.

The first step in the development of the code for a particular industry is the request by the NRA for the help of that industry. Usually there is a trade associa-

tion whose members make up the major portion of the industry. Its leaders represent the business men, and present a code at the code hearing. Labor and consumers are likewise represented. Under the guidance of a deputy administrator all problems brought up by the different factions are threshed out. When disputes cannot be settled by agreement between employers, laborers and consumers, the ad-

had to overcome conflicting and often selfish demands by both employers and employees.

More than seventy codes have been signed by the president. They include almost all our basic industries. About 200 codes remain to be executed, and NRA workers hope to set them all in motion before January 1. The daily work of code hearings, revisions, labor settlements and



RECOVERY—A TEN-POINT PROGRAM

Besides the NRA, the following government units have been established to deal with the problems of recovery: TVA—Tennessee Valley Authority; AAA—Agricultural Adjustment Administration; P.W.A.—Public Works Administration; CCC—Civilian Conservation Corps; F.C.O.T.—Federal Coordinator of Transportation; F.E.R.A.—Federal Emergency Relief Administration; R.F.C.—Reconstruction Finance Corporation; F.F.C.A.—Federal Farm Credit Administration; H.O.L.C.—Home Owners' Loan Corporation.

ministrator settles them with a decision. The final agreement is subject to the approval of General Johnson and the president.

Changing Code Provisions

After it is signed, a code may be modified if it is unsatisfactory. Any necessary change may be made by another hearing, or upon the approval of the president. Enforcement of the codes is maintained through local compliance boards, whose job it is to settle local disputes. If the local board cannot secure a settlement, the matter comes before the national director of compliance. Those who break the code are liable to loss of the blue eagle, or to a \$500 fine and prison sentence. Any widespread labor trouble under the codes is usually referred to the newly formed regional labor boards, or to the National Labor Board headed by Senator Wagner.

The paragraphs above outline simply the way in which the NRA has worked during the last four short, eventful months. They do not begin to tell the innumerable difficulties which have been met. The code administrators have worked untiringly to place industry on a fair basis. They have

board meetings goes on in spite of criticism now being directed at the NRA.

Charges against the NRA state that it has not raised purchasing power enough, that it has gone ahead too fast, and that it has promised more than it has been able to fulfill. Many observers feel that it has not succeeded as a temporary recovery measure to revive business in a few months. They think its greatest value will be felt over a longer period. It has provided a structure of control by which business may be governed in the future. This control, it is hoped, will prevent the shock of booms and collapses in business activity.

Criticism of NRA

Critics of the NRA point to the lag in industrial activity during September and October, after the rise which reached its height in the middle of July. Perhaps this does indicate that the program moved too fast. Certainly too much was expected of it in the way of temporary recovery. However, something had to be done to aid business, and productive activity is still much better than it was in late 1932 and early this year.

In the matter of purchasing power, the NRA has boosted the wages of the lowest paid workers. Their buying ability has increased. Workers who were already paid higher wages than the minimum prescribed by the codes may not have benefited. Their wages have not been raised, while the prices they must pay for goods have increased. Whether the total purchasing power of the country has been raised by the NRA is not yet certain. The figures for production and sales during the third quarter of the year show an improvement which convinces the president that the NRA is succeeding.

A few plans have been suggested by those who criticize the movement. Gerard Swope, president of the General Electric Company, who recently resigned from the NRA Industrial Advisory Board, announced his idea of a suitable plan. His statement indicates the direction in which some of the critics may want to proceed. Mr. Swope proposed a super-chamber of commerce, involving all American business, which would take over the code machinery to govern business without governmental interference. This plan opposes any real government control and makes no effective provision for the interests of labor and consumers. It has not been favorably received by the president or General Johnson, or by representatives of organized labor and the consumers. That is, they do not believe we are ready for such self-control by industry, though we may be able to achieve it a few years later. Even business itself is divided on the subject. The National Association of Manufacturers does not like the Swope scheme. Because of this lack of enthusiasm for and opposition to the proposal, Mr. Swope's ideas will not be put into effect at present.

Experiment to Go Ahead

Probably the charges against NRA will continue. That is to be expected. Some revisions of the NRA are being made and will be made later. There can be no denial that the aims of the recovery act are worthy and that it has made good many of its promises. It has served to bolster public confidence during a critical time. 3,600,000 men and women have gone back to work since March, largely as a result of the NRA. It has eliminated child labor and the sweatshops where workers were badly underpaid. The codes have brought about some measure of unity for industry.

Many small proprietors appear to have suffered because of the code provisions. Probably this condition will be remedied by changes in the codes. One such step was taken by the president, when he exempted little independent merchants in small towns from the retail code.

For the present, at least, the NRA will proceed largely along the same lines. It is an experiment. It was frankly set up as a trial effort to aid recovery. No one is qualified at the present time to call it a final success or a failure.

Something to Think About

1. The liquor question, which has been a major problem of American life since the enactment of the eighteenth amendment, will soon be settled by the repeal of that amendment.

Criticize that statement. Wherein is it either false or incomplete?

2. What provision, if any, has your state made for the control of the liquor traffic after the repeal of the eighteenth amendment? What plan of control or prohibition do you think it should adopt?

Communism appears to have improved the condition of the Russian people.

3. Is that statement true? If it is true, does it follow necessarily that communism should be adopted in the United States?

4. What has been accomplished under the Soviet Five Year Plan? Wherein has the plan failed?

5. Size up the present business situation in the United States. Do you look for business improvement during the next few months? Give definite reasons for your opinion.

6. What conditions led to the enactment of the NRA program? What has been accomplished under this program? What are some of the problems which it faces?

7. The NRA has failed and should be given up. How would you answer that assertion?

8. What item of news, mentioned on page three, do you consider most important?

9. What, if anything, is your community doing to turn the leisure time of its citizens to good use? What might be done? Does the Racine experiment point to the answer?

10. How has the depression affected the schools of your community? Is it possible to preserve efficient schools in spite of the hard times?

TIMELY TOPICS: (a) Good News from Russia. *New Republic*, October 11, 1933, pp. 230-232. Russia's Mental Revolution. *Nation*, September 13, 1933, pp. 288-290. (c) Liquor Control. *Nation*, September 6, 1933, pp. 255-256. (d) The World Looks at the New Deal. *Review of Reviews*, November, 1933, pp. 24-27. (e) Rapidly Aging Young Man (Robert M. Hutchins). *Forum*, November, 1933, pp. 308-315.

PRONUNCIATIONS: Stalin (shtah'leen); Maxim Litvinoff (max'eem lit-vee'noff); Nikolai Lenin (nik'o-li—last i as in time, len-een'); Benvenuto Cellini (ben-ve-noo'to chel-ee'nee'); Marcel Proust (mar-sel' proost).